

VZCZCXYZ0002
PP RUEHWEB

DE RUEHKO #1723/01 1760053
ZNY CCCCC ZZH
P 240053Z JUN 08
FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC PRIORITY 5329
INFO RUEHBY/AMEMBASSY CANBERRA PRIORITY 2681

C O N F I D E N T I A L TOKYO 001723

SIPDIS

DEPARTMENT FOR PM/DTC AND EAP/J

E.O. 12958: DECL: 06/20/2018
TAGS: [KOMC](#) [ETTC](#) [JA](#)
SUBJECT: GOJ PROPOSAL FOR TRILATERAL COOPERATION IN
OUTREACH ACTIVITIES

REF: 07 TOKYO 04930

Classified By: Amb. J. Thomas Schieffer for reasons 1.4 b, d.

11. (C) METI Export Controls Deputy Director Takao Shishikura gave EconOff the following nonpaper in English June 20 and requested the Embassy transmit it to Washington and also respond with any USG reaction.

Begin Text:

Proposal for Trilateral Cooperation in Outreach Activities

Background

Outreach activities of Japanese government in Asian region have begun in late 1980s and many countries including, the U.S. and Australia have put a lot of efforts and resources into the region. As such, Japan has almost 20 years of experience in multi-national outreach seminars and five years in bilateral ones in this region. We have learned some lessons through our experiences, which lead to this proposal to the U.S. and Australian governments. The lessons are as follow.

First, we should have made more efforts to take the situation in each recipient country into consideration in our outreach activities, considering the fact that each recipient country's stage of development in the area of export controls has become more varied in these last 20 years. Disparities can be observed with regard to such elements as governments' intentions, export control laws/regulations, industrial structure, technology level and trade structure. Therefore, it is essential that we evaluate the situation of each recipient country and take a more "custom made approach" based on the evaluation so that we can help each country in the most effective manner.

Second, we keenly realized the importance of more coordination and cooperation among other partners such as the United States and Australia. We have heard recipient countries' requests for more coordination among countries providing outreach activities. We believe that coordination among related countries should be made in terms of timing, agendas, countries targeted for outreach and determining other priorities.

Third, we think it would be better if we would divide our responsibilities based on our strong points. It is our impression that the U.S. EXBS program has had a strong and positive impact on many recipient countries especially in installation of laws/regulations and training of customs officers. Australia also has had great impact on training customs officers. While we have limited knowledge and experience in those aspects, we are confident that we can help recipient countries establish cooperative relations with

their industries.

Based on those recognitions, we would like to propose closer trilateral cooperation among Japan, the U.S. and Australia as described in paragraph 3. It would be truly appreciated if you could deliver your opinion to us, although this proposal is still tentative.

Basic Idea of Cooperation

----- Categorizing Asian Countries -----

In our view, in order to achieve effective export controls, the following four elements are necessary: "intention of controlling exports," "sufficient laws/regulations," "sufficient enforcement," and "cooperation with industries." It is our understanding that the general idea of outreach is to help the recipient country develop its export controls by addressing those elements.

Based on this recognition, we divided Asian countries into following four categories. Though it is almost impossible to simply categorize Asian countries into only four groups, we think it is better to have as few categories as possible to avoid complicating the basis of our discussion and cooperation.

Category 1: countries with no or low intension of controlling exports,

Category 2: countries with intention of controlling exports, but which have yet to establish sufficient export controls

laws/regulations,

Category 3: countries with export controls laws/regulations but insufficient enforcement, and

Category 4: countries with export controls laws/regulations and sufficient enforcement, but without sufficient cooperation with industries.

Since countries in different categories are in different stages of maturation in export controls, different measures should be taken and varied objectives be sought for outreach activities. The following are our tentative ideas of what should be done in each category.

Category 1

The biggest purpose of outreach to this category is to increase awareness of the importance and necessity of export controls. Government to government discussion, especially at higher levels, is the most effective venue to achieve the objective. It is important that we get rid of the doubt or fear among officials in those countries in category 1 that strict export controls impedes trade and economic development. Otherwise, it is highly unlikely any country in category 1 would consider establishing export controls at all. An export control seminar for industries is also effective to get rid of the doubt or fear of industries, if necessary.

Category 2

The main purpose of outreach activities to the countries in this stage is to make sure that those countries establish export controls laws/regulations which are harmonized with international export control regimes. It is also important to avoid making those laws/regulations too complicated to understand and implement. It is beneficial to provide practical assistance, including technical and legal aspects, through working level discussions and a variety of seminars. At the same time, industry outreach seminars could also be effective to get rid of the doubt or fear of industries, if necessary.

Countries in Category 3

Inter-governmental dialogue should take place to reiterate the importance of export controls in order to sustain their

awareness. Also a variety of practical seminars, such as those which target customs officers, should be held to improve the abilities of their enforcement. At the same time, measures such as industry outreach seminars and introduction of ICPs should be taken in order to promote the cooperation with industries.

Countries in Category 4

Measures such as industry outreach seminars and the introduction of ICPs should be taken in order to promote the cooperation with industries.

At the same time, a variety of practical seminars should be held to strengthen enforcement, if necessary. Bilateral cooperation in the field of export controls, such as exchanging information on exports of concern, should be promoted as appropriate. Furthermore, these countries could be invited to the outreach seminars for the countries in category 1 to 3 if possible.

It should be noted that objectives to be sought for and measures to be taken in each category are neither definitive nor exclusive of each other. For instance, it is important to encourage not only governments in category 1, but also those in all categories to increase or keep high awareness and motivation to maintain export controls. Gaining cooperation of industry is not only necessary in category 4 but also in other categories. For example, decision making by governments in category 1 will be facilitated by the better understanding in the industry on the importance and benefit of export controls. Taking this into consideration, we could summarize what should be done primarily to each category as below.

Primary objectives in each category

Category 1

Primary Objectives: Increase awareness of government
Tools: Bilateral discussion, Seminars for Industries (if necessary)

Category 2

Primary Objectives: Establish strict legal system
Tools: Legal assistances, Training for officers, Seminars

for industries (if necessary)

Category 3

Primary Objectives: Strengthen enforcement
Tools: Training for officers, Seminars for industries, Legal assistances (if necessary)

Category 4

Primary Objectives: Gain Cooperation of industries
Tools: Seminars for industries, Training for officers (if necessary)

----- Priority

Since we don't have infinite resources to put into outreach activities, we have to prioritize Asian countries to maximize the effectiveness of our activities. Though there are many ways to make prioritization, we would propose to do it in accordance with potential risk of diversions to nations of concern since the fundamental purpose of outreach activities is to prevent Asian countries from contributing to the development of WMD, missile or conventional military weapons in countries such as PRC, DPRK and Iran. It is obvious that the higher potential risk a country has, the sooner we have to take care of the country though we have no intention of ignoring low risk countries.

There are many elements with which to evaluate potential risks: technology level of industries, volume of trade, geographical location, and historical, racial, cultural and

economic ties to countries such as PRC, DPRK and Iran. We have made a preliminary survey of the situation of each Asian country and prioritized them in accordance with potential risks (see Annex I). Though our evaluation is still tentative in both criteria for the result to be recognized as a solid proposal, we are sure that it can serve as a basis of our discussion. We would like to listen to your opinion on our criteria to evaluate risks and our results.

Trilateral Cooperation

We would like to propose possible trilateral cooperation between Japan, the U.S., and Australia in the following aspects:

1. Sharing evaluation of the status of Asian countries;
2. Dividing responsibilities in the field of outreach activities; and
3. Exchanging information on such things as schedules, agendas, objectives and results of each outreach activity.

First, we would like to have a shared evaluation of Asian countries as a basis for our cooperation. It is necessary to review the evaluation regularly, since the export controls situation in Asian countries is very likely to change in the short term.

Second, and most importantly, we think it essential that we share our roles to maximize the effectiveness of our cooperation. We would like to propose to share our roles based on the specialty and advantage that each country has. As mentioned above, it is our impression that the U.S. has huge advantages in installation of export controls systems and training for officers, while Australia has advantages in training for customs officers. The Japanese government has both experience and knowledge in establishing relations with industries. Based on this recognition, we would like to propose following role-sharing:

Technical assistances are provided by mainly U.S. and Australia
Training for officers are conducted by mainly U.S. and Australia
Industry outreach is conducted mainly by Japan.

Sharing among Japan, U.S. and Australia

Category 1

Objectives: Increase awareness of government
U.S.: Bilateral discussion
Australia: Bilateral discussion
Japan: Bilateral discussion, Multilateral seminar, Seminars for industries (if necessary)

Category 2

Objectives: Establish strict legal system
U.S.: Legal assistance, Training for officers
Australia: Legal assistance, Training for officers
Japan: Multilateral seminar, Seminars for industries (if necessary)

Category 3

Objectives: Strengthen enforcement
U.S.: Training for officials, Legal assistance (if necessary)
Australia: Training for officials, Legal assistance (if necessary)
Japan: Multilateral seminar, Seminars for industries

Category 4

Objectives: Gain Cooperation of industries
U.S.: Training for officials (if necessary)
Australia: Training for officials (if necessary)
Japan: Multilateral seminar, Seminars for industries

Finally, it is essential to exchange, in advance, information on such thing as schedule, agenda and objective each outreach activity and confirm that those of U.S. are looking at the

same direction. It is also essential that the result of each activity be shared and used for annual review of criteria and evaluation. As the first step, we would like to provide our plan of outreach in this year (see Annex II).

Annex I

Current Status of Export Control in Asia (tentative)

Category 1

High (risk of diversion to nations of concerns)

Thailand, Philippines, Indonesia, Vietnam

Low (risk of diversion to nations of concerns)

Mongolia, Cambodia, Laos, Myanmar, Brunei Darussalam, Bangladesh, Sri Lanka

Category 2

Low Risk

Malaysia

Category 3

Low Risk

China, India Pakistan, UAE

Category 4

Low Risk

Republic of Korea, Chinese Taipei, Singapore, Hong Kong

Annex II

Japan's Outreach Program in 2008

Industrial Outreach Seminar

Chinese Taipei--January

India--February

Malaysia--March

Viet Nam--September

Republic of Korea--October

Indonesia--October

UAE--November

We organized industrial outreach seminars in Thailand and Philippines in 2007. We are currently proposing to China to have a seminar.

The Asia Export Control Seminar

The next seminar will be held in February 2008.

Bilateral Consultation

Chinese Taipei--January

Israel--January

Malaysia--March

Singapore--March

Republic of Korea--March/June

Hong Kong--May

India--June

Viet Nam--September

Indonesia--October

End Text.

12. (U) This is the second time METI export controls division has reached out to the Embassy to express an interest in solidifying a trilateral relationship on export controls outreach programs. The previous discussion from October 2007 is documented in the ref.

SCHIEFFER